

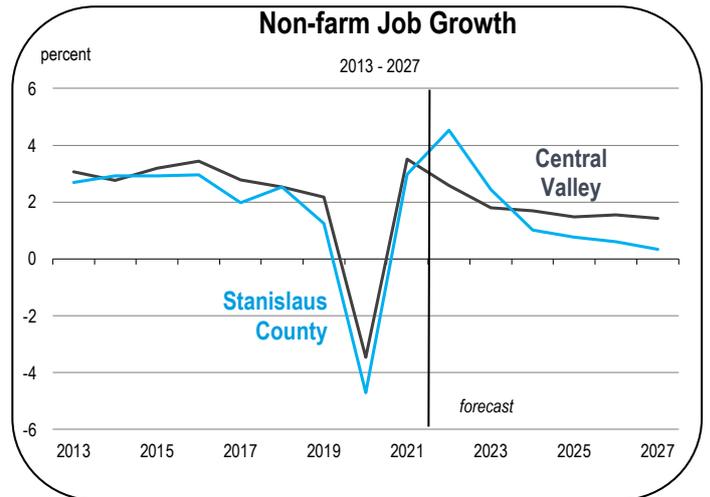
# Stanislaus County Economic Forecast

## Forecast Summary

- The county added 4,100 jobs in 2021. The pace for 2022 will generate 5,500 jobs, easily restoring the workforce that was lost during the pandemic recession.
- A number of labor market sectors had fully recovered by early 2021, including manufacturing, transportation and warehousing, professional and business services, state and federal government, and farming.
- Struggling sectors included retail, leisure and hospitality, and K-12 public schools. However, all of these sectors contributed to job creation in 2022.
- The largest emerging issue for the Central Valley economies is their geographical advantage for assembly and/or distribution centers. Due to this advantage, large industrial and warehousing firms are forecast to expand rapidly in the region.
  1. Transportation and warehousing will generate more than 300 new jobs in 2022
  2. Manufacturing will add 450 new jobs in 2022

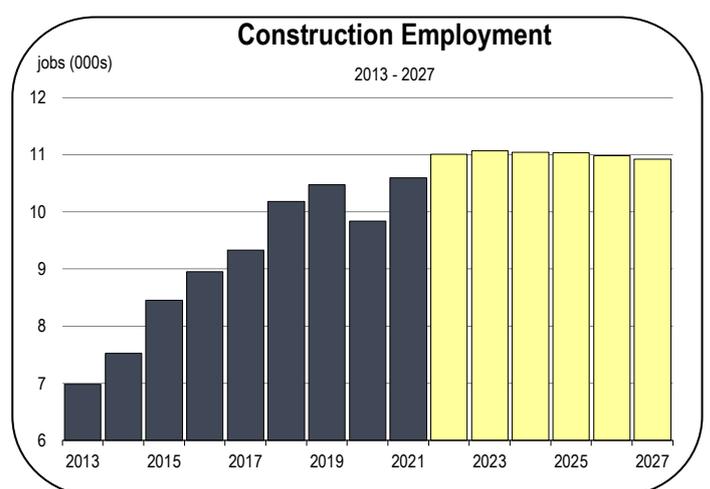
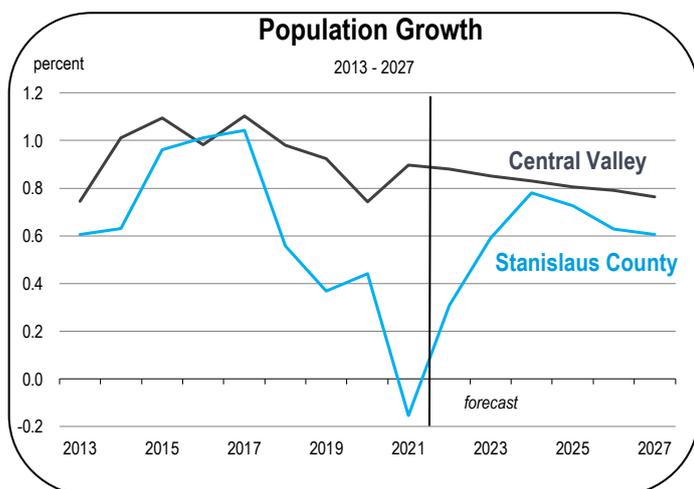
## Job Growth

- Non-farm employment in Stanislaus County will increase by 3.1 percent in 2022, and 2.8 percent in 2023. Between 2023 and 2027, job growth will average 1.2 percent per year.

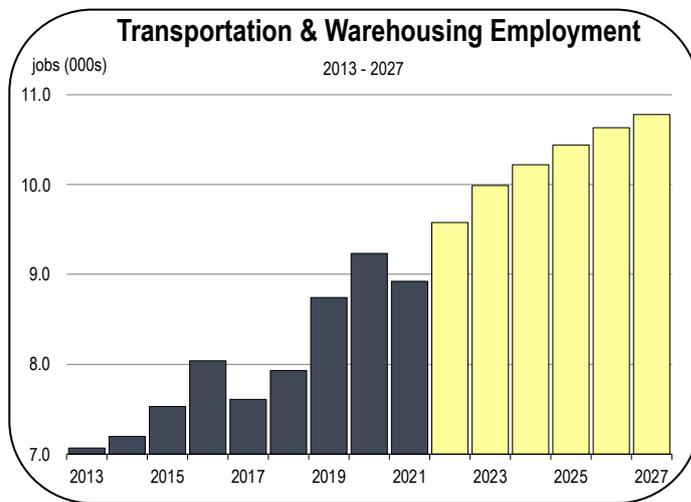
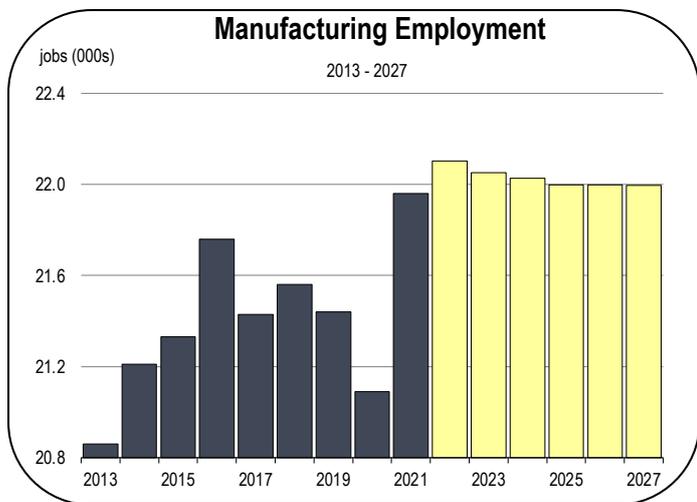


## Construction Employment

- The construction workforce in the county almost doubled in size since 2013. The pandemic momentarily interrupted this growth trend but as of early 2022 construction employment is making record highs.
- Over the next 5 years, thousands of new units and several major logistics projects will be started and completed in Modesto and the unincorporated areas of Stanislaus County.
- Employment within the construction trades is forecast to expand through 2027 or beyond.



# Stanislaus County Economic Forecast



## Manufacturing Employment

- Employment in food and beverage processing comprises 47 percent of all manufacturing jobs in the county. It will remain a critical engine of growth over time.
- The largest employers in food manufacturing and wholesaling start with E&J Gallo with 5,330 workers within their U.S. headquarters and winery in Modesto. Other large companies include Bartles & James, Bronco Wine company, Frito-Lay, Foster Farms, Sysco Central California, and Del Monte Foods. Foster Farms in Turlock employs an estimated 2,500 workers. Frito-Lay, makers of potato chips and snacks, employs 450 workers, and Del Monte Foods employs an estimated 2,100 workers in Modesto.
- Pacific Southwest Containers in Modesto creates all types of packaging for all types of products including food, wine, and beer. The company employs an estimated 450 workers.
- Gallo is the largest winery in the world today, with \$50 billion in sales. In 2021 it merged with Constellation Brands to acquire more wineries and wine making capacity in California. It now owns Clos du Bois in Geyserville, and Ravenswood and Mark West wines in Sonoma County.

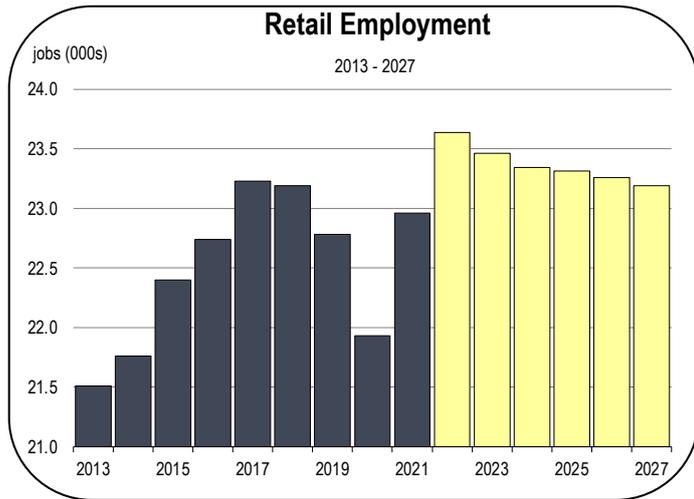
## Transportation and Warehousing Employment

- Most transportation jobs in Stanislaus County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.
- The largest company in warehousing and distribution is Amazon, with an estimated 2,500 workers at its fulfillment center in Patterson. However, in October 2022, Amazon opened another million-square-foot center in Turlock and is in the process of hiring another 1,000 workers to staff that location.
- Also, in Modesto and Patterson are the two Sierra Pacific Warehouse facilities for food products including frozen foods and wine. The Modesto operation is 800,000 square feet and the Patterson warehouse is 450,000 square feet.



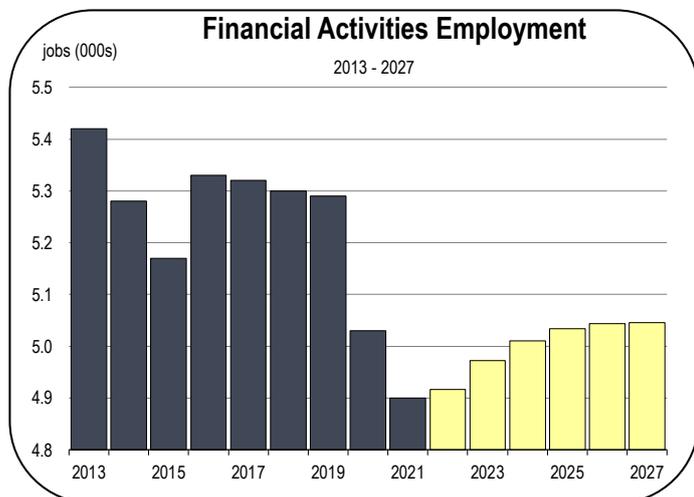
Products of E&J Gallo

# Stanislaus County Economic Forecast



## Retail Trade Employment

- Retail jobs recovered in 2021, rose marginally in 2022, and are forecast to expand further in 2023, principally due to the opening of retail storefronts in new residential developments.
- However, employment at local brick-and-mortar stores is susceptible to slower growth over the forecast period and consolidation over the long term.

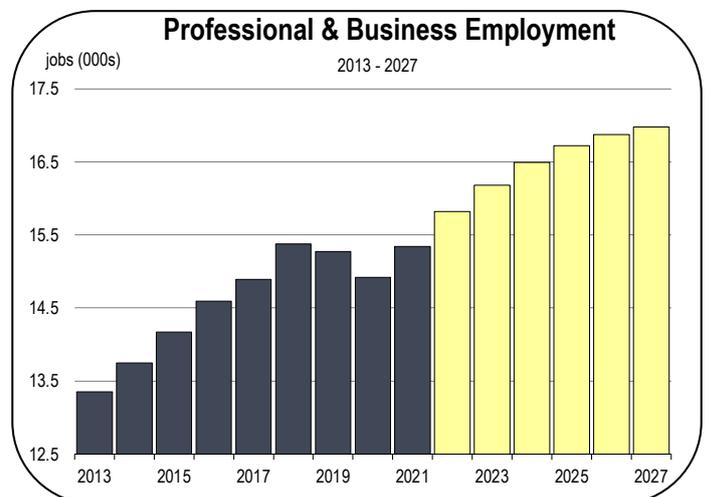


## Financial Activities Employment

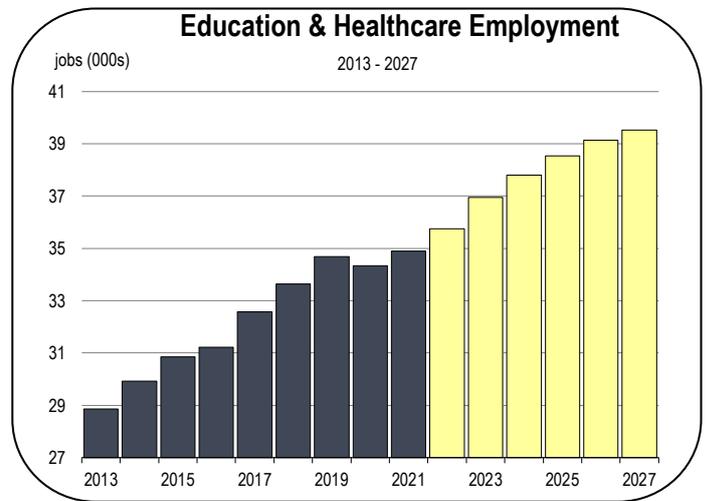
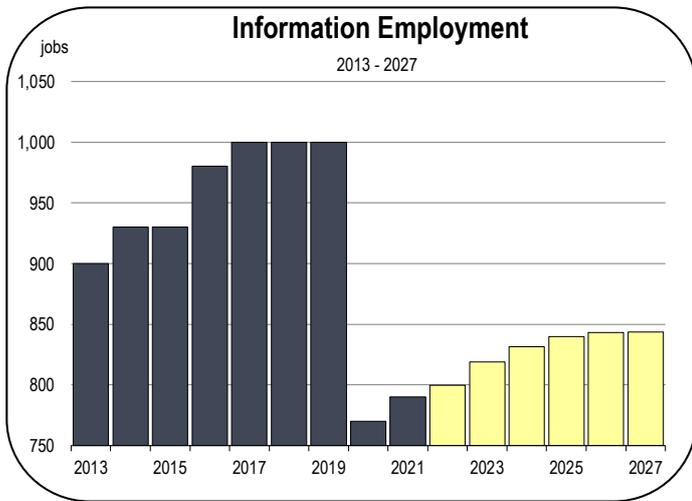
- The Stanislaus County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Partial recovery of jobs that were retired in 2020 and 2021 occurs over the forecast, mostly in the real estate sector to accommodate a modestly growing population.

## Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors; administrative services was responsible for most of the job growth in 2021.
- In 2022, the pace of job creation will approach 800 positions, mostly from professional and technical services.
- The professional and business services sector will create a major share of future jobs in Stanislaus County over the next several years as the region receives transplanting tech and professional workers from the Bay Area.
- Professional services represent many of the technology services companies that provide design and consulting services to high tech product manufacturers both domestically and internationally.



# Stanislaus County Economic Forecast



## Information Employment

- In Stanislaus County, the information sector is largely comprised of movie theaters and telecommunications firms. There are also a small number of jobs in software development & TV/radio stations.
- The recent decline in job opportunities is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, movie theaters, and newspapers.
- This is no less true for the Stanislaus information market. Employment growth will remain in some radio, TV, and video production, with small numbers of jobs also created in software publishing and data/Internet services.

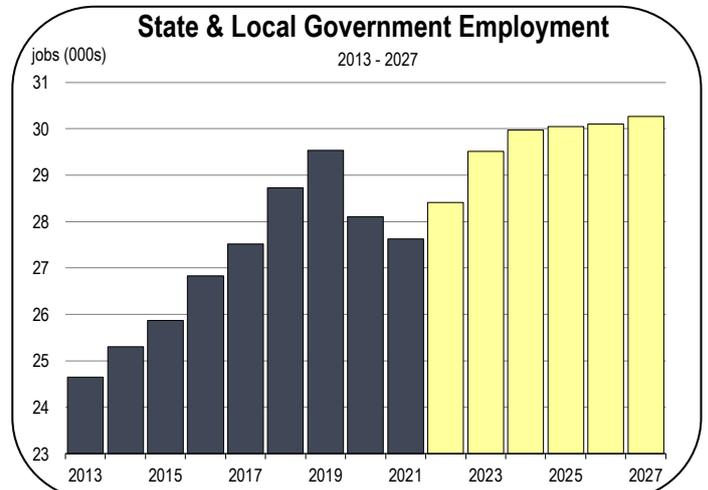
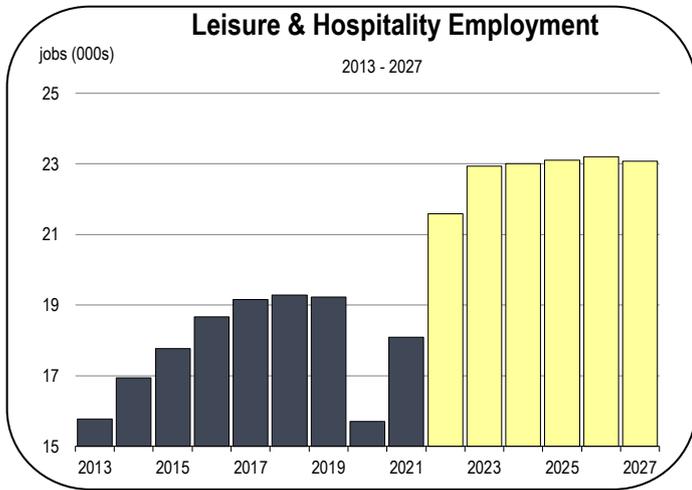
## Private Education and Healthcare Employment

- Healthcare employment rose by 600 jobs in 2021 and is on pace to rise 900 jobs in 2022. Another 1,200 new positions are forecast in 2023.
- The largest healthcare providers in the County include:
  - Emanuel Medical Center
  - Memorial Medical Center
  - Oak Valley Hospital District
  - Stanislaus County Health Services Agency
- Because population growth is forecast to remain positive over the indefinite future, largely due to the natural increase but also as a result of net in-migration, healthcare services will remain in steady demand. The sector will create an estimated 4,200 jobs between 2022 and 2027.



Oak Valley Hospital District

# Stanislaus County Economic Forecast



## Leisure and Hospitality Employment

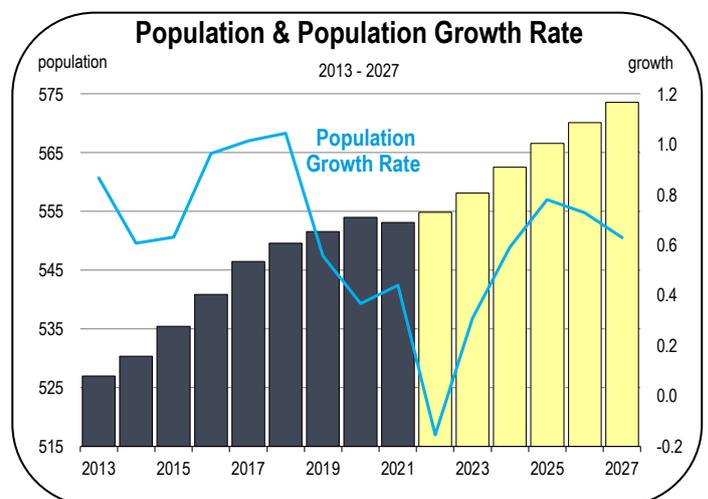
- Jobs were impacted by the 2020 recession but have bounced back rapidly.
- Nearly 2,400 jobs were restored in leisure/hospitality in 2021 and another 1,700 will be created in 2022.
- The surge in travel throughout the state has generated substantial demand for dining, drinking and creation in the Central Valley. This is forecast to continue through 2023.

## Government Employment

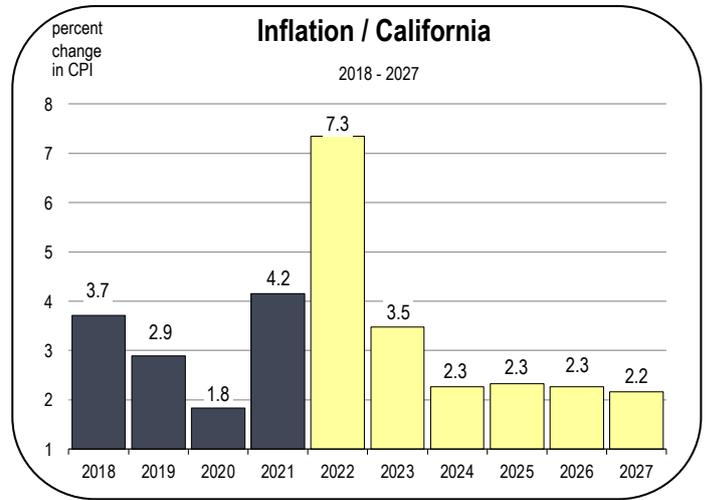
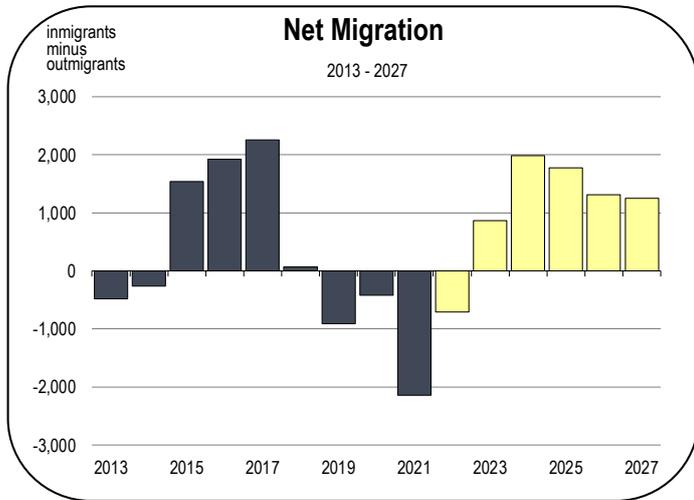
- State and local government positions declined for two consecutive years, principally as a result of the pandemic. Jobs rebound by over 1,000 positions in 2022.
- Federal government jobs will continue to contract, in 2022 and 2023.
- Some state and local government fully recovers in 2023 and jobs will rise in tandem with population growth over the forecast.

## Population Growth

- Population growth in Stanislaus County will eclipse overall California population growth between 2022 and 2027.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from the Bay Area for the affordable housing options in Stanislaus County.
- The population will expand at an annual average rate of 0.6 percent per year from 2022 to 2027.
- By 2027 the Stanislaus County population will approach 575,000 residents.



# Stanislaus County Economic Forecast



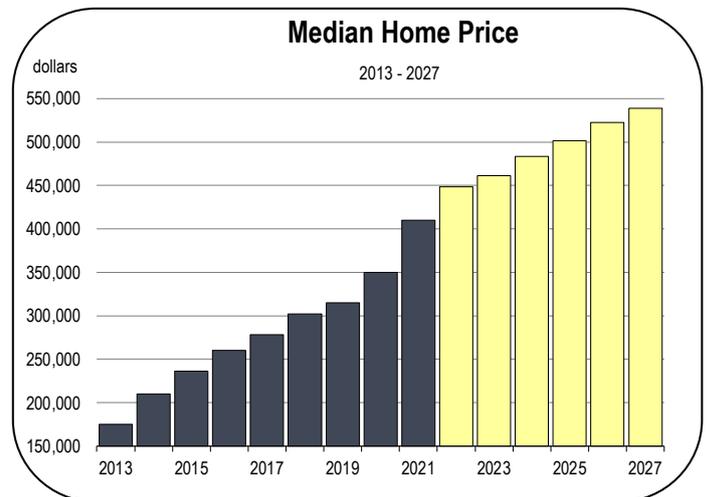
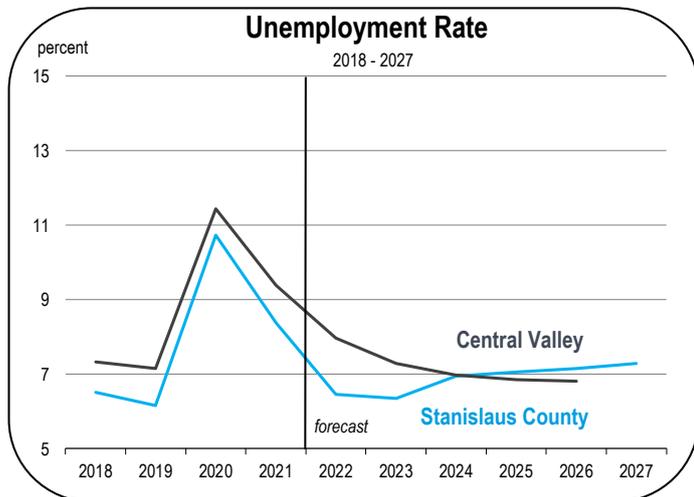
## Unemployment and Inflation Rates

- The unemployment rate in Stanislaus County averaged 8.4 percent in 2021. An unemployment rate below 7.0 percent signifies a fully employed workforce in Stanislaus County.
- The unemployment rate is expected to average 6.5 percent in 2022 and 6.3 percent in 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages

- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

## Home Prices and New Housing Production

- In 2021 the median home price in Stanislaus County was \$410,000, an increase of 17 percent from the previous year. In 2022, the California Association of Realtors reports an average annual median price of \$458,000.
- Homes in Stanislaus County are more affordable than homes across California, especially Coastal California.
- In Stanislaus County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.



# Stanislaus County Economic Forecast

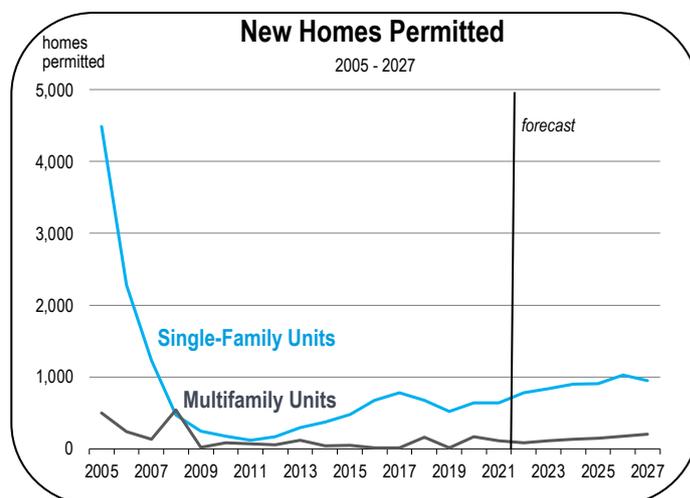
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2016 to 2021, an average of 700 new homes were started per year in Stanislaus County. Approximately 80 percent were single-family homes.
- Housing production is expected to average 1,200 units per year from 2022 to 2027.

## Modesto

- The development of a new Modesto Courthouse is under construction. The new courthouse will host 27 courtrooms and 308,964 square feet. The budget for the project is \$287,793,000 and is estimated to be completed by October 2024.
- The City of Modesto has many long-term ranging projects and Specific Plans in its pipeline:
  - Downtown Modesto Master Plan: 1,550 new homes
  - Tivoli: 1,855-3,241 units
  - Woodglen: 353 single family units, 180 multifamily units
  - Village One: 7,000-8,000 units
  - Empire North: 1,400 units
  - Fairview Village: 2,250 units
  - Kiernan Business Park: Business Park, industrial uses, a medical campus, and residential buildings

## Crows Landing

- The largest mega-project in the County is the Crows Landing Industrial Business Park and Airfield. The project location is considered ideal because it will include an airport, has close proximity to Silicon Valley and a Regional Port, and features a complete transportation infrastructure with connections to the I-5 corridor and the San Francisco Bay area.
- Crows Landing encompasses 1,528 acres. Proposed land use is as follows:
  - Industrial – 350 acres
  - Logistics/Distribution – 349 acres
  - Business Park/office – 78 acres
  - Public Facilities (municipal office/professional office) – 68 acres
  - Airport (runways, taxiways, hangars) – 370 acres
  - Aviation-related (cargo, industrial, business park) – 46 acres
  - Multimodal greenspace/monument – 13 acres
  - Infrastructure (roads, drainage, etc.) – 254 acres
- There are multiple phases in the project. Phase 1A is now underway, consisting of infrastructure development to provide roadways and drainage facilities. Phase 1B has recently commenced. In total Phase 1 is predicted to yield 5,300 jobs and be completed in 2028.



# Stanislaus County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	535,436	168.7	1,540	490	478	\$21.7	\$5.4	\$8.2	\$5.1	\$48,213	9.6	\$4.6	1.4
2016	540,856	170.1	1,926	686	496	\$22.4	\$5.7	\$8.7	\$5.2	\$48,339	8.6	\$3.8	2.3
2017	546,499	171.0	2,258	939	499	\$23.2	\$6.0	\$9.0	\$5.3	\$48,049	7.5	\$4.1	3.0
2018	549,544	172.4	71	680	508	\$23.9	\$6.2	\$9.3	\$5.4	\$47,491	6.5	\$3.9	3.7
2019	551,566	173.4	-914	680	526	\$25.2	\$6.4	\$9.7	\$5.4	\$48,437	6.2	\$3.8	2.9
2020	553,995	174.0	-422	751	532	\$26.9	\$6.7	\$10.1	\$5.2	\$50,629	10.7	\$3.6	1.8
2021	553,138	174.3	-2,147	719	540	\$27.7	\$8.6	\$12.3	\$5.3	\$50,082	8.4	\$3.5	4.2
2022	554,844	175.8	-709	885	548	\$30.5	\$9.0	\$13.4	\$5.5	\$51,216	6.5	\$3.9	7.3
2023	558,120	177.1	861	967	555	\$32.0	\$9.2	\$13.7	\$5.8	\$51,674	6.3	\$4.1	3.5
2024	562,477	178.2	1,981	1,048	559	\$33.2	\$9.4	\$13.9	\$5.9	\$51,884	6.9	\$4.2	2.3
2025	566,567	179.2	1,774	1,078	562	\$34.5	\$9.5	\$14.1	\$6.1	\$52,425	7.0	\$4.2	2.3
2026	570,132	180.3	1,312	1,224	566	\$35.9	\$9.6	\$14.3	\$6.2	\$52,914	7.2	\$4.2	2.3
2027	573,583	181.4	1,247	1,146	568	\$37.2	\$9.8	\$14.5	\$6.3	\$53,403	7.3	\$4.2	2.2
2028	576,532	182.5	790	1,097	568	\$38.6	\$9.9	\$14.7	\$6.4	\$53,884	7.4	\$4.3	2.2
2029	579,418	183.5	767	1,065	570	\$39.9	\$10.2	\$15.1	\$6.4	\$54,214	7.5	\$4.3	2.3
2030	582,218	184.4	715	1,028	571	\$41.2	\$10.5	\$15.6	\$6.4	\$54,569	7.5	\$4.3	2.2
2031	584,858	185.4	697	1,005	571	\$42.6	\$10.7	\$15.9	\$6.5	\$54,971	7.6	\$4.4	2.1
2032	587,310	186.3	659	1,005	571	\$44.0	\$11.0	\$16.3	\$6.5	\$55,261	7.6	\$4.4	2.3
2033	589,638	187.2	673	1,036	571	\$45.4	\$11.3	\$16.7	\$6.5	\$55,743	7.7	\$4.5	1.9
2034	591,840	188.2	708	993	572	\$46.9	\$11.5	\$17.1	\$6.6	\$56,164	7.7	\$4.6	2.1
2035	593,806	189.1	639	929	573	\$48.4	\$11.8	\$17.6	\$6.6	\$56,547	7.7	\$4.6	2.2
2036	595,574	189.9	597	906	573	\$50.0	\$12.2	\$18.1	\$6.6	\$56,801	7.7	\$4.6	2.6
2037	597,195	190.8	594	919	573	\$51.7	\$12.6	\$18.7	\$6.6	\$57,032	7.6	\$4.6	2.7
2038	598,671	191.6	607	893	572	\$53.4	\$12.9	\$19.2	\$6.6	\$57,335	7.6	\$4.7	2.5
2039	599,998	192.4	607	865	572	\$55.2	\$13.3	\$19.8	\$6.6	\$57,576	7.5	\$4.7	2.7
2040	601,117	193.2	589	794	572	\$57.0	\$13.7	\$20.3	\$6.6	\$57,846	7.4	\$4.8	2.6
2041	602,008	193.9	534	713	571	\$58.8	\$14.0	\$20.8	\$6.6	\$58,268	7.4	\$4.8	2.2
2042	602,701	194.6	466	655	571	\$60.6	\$14.3	\$21.3	\$6.6	\$58,736	7.4	\$4.8	2.1
2043	603,228	195.2	422	624	572	\$62.4	\$14.7	\$21.8	\$6.6	\$59,234	7.3	\$4.8	2.0
2044	603,634	195.8	407	597	574	\$64.1	\$14.9	\$22.2	\$6.6	\$59,800	7.3	\$4.8	1.8
2045	603,919	196.4	385	545	575	\$66.0	\$15.3	\$22.7	\$6.6	\$60,320	7.2	\$4.9	1.9
2046	604,096	196.9	349	497	577	\$67.8	\$15.6	\$23.2	\$6.6	\$60,787	7.2	\$4.9	2.0
2047	604,157	197.4	317	513	579	\$69.8	\$16.0	\$23.7	\$6.6	\$61,165	7.1	\$4.9	2.2
2048	604,174	197.8	348	445	581	\$71.7	\$16.4	\$24.4	\$6.7	\$61,487	7.1	\$5.0	2.3
2049	604,054	198.3	295	371	583	\$73.7	\$16.8	\$24.9	\$6.7	\$61,945	7.1	\$5.0	2.0
2050	603,775	198.6	247	382	585	\$75.8	\$17.2	\$25.5	\$6.7	\$62,386	7.0	\$5.0	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	181.0	14.6	8.5	21.3	7.5	28.2	5.2	14.2	0.9	30.9	17.8	26.7
2016	186.2	14.9	9.0	21.8	8.0	28.7	5.3	14.6	1.0	31.2	18.7	27.6
2017	189.0	14.3	9.3	21.4	7.6	29.4	5.3	14.9	1.0	32.6	19.2	28.3
2018	193.6	14.4	10.2	21.6	7.9	29.5	5.3	15.4	1.0	33.6	19.3	29.5
2019	196.2	14.9	10.5	21.4	8.7	29.0	5.3	15.3	1.0	34.7	19.2	30.3
2020	187.3	14.5	9.8	21.1	9.2	27.9	5.0	14.9	0.8	34.3	15.7	29.0
2021	191.7	13.8	10.6	22.0	8.9	28.6	4.9	15.3	0.8	34.9	18.1	28.4
2022	199.4	14.0	11.0	22.1	9.6	28.8	4.9	15.8	0.8	35.8	21.6	29.1
2023	204.5	14.0	11.1	22.1	10.0	29.2	5.0	16.2	0.8	37.0	22.9	30.2
2024	206.4	14.1	11.0	22.0	10.2	29.1	5.0	16.5	0.8	37.8	23.0	30.7
2025	207.9	14.1	11.0	22.0	10.4	29.1	5.0	16.7	0.8	38.5	23.1	30.8
2026	209.2	14.1	11.0	22.0	10.6	29.2	5.0	16.9	0.8	39.1	23.2	30.8
2027	209.9	14.2	10.9	22.0	10.8	29.3	5.0	17.0	0.8	39.5	23.1	31.0
2028	210.4	14.2	10.7	22.0	10.9	29.2	5.0	17.1	0.8	39.9	23.1	31.1
2029	210.9	14.2	10.7	22.0	10.9	29.2	5.0	17.2	0.8	40.2	23.1	31.2
2030	211.4	14.2	10.5	22.0	11.0	29.1	5.0	17.2	0.8	40.6	23.1	31.3
2031	212.0	14.2	10.5	22.0	11.1	29.1	5.0	17.3	0.8	40.9	23.1	31.4
2032	212.5	14.2	10.4	22.0	11.1	29.0	5.0	17.4	0.8	41.4	23.1	31.5
2033	213.1	14.2	10.5	22.0	11.2	29.0	5.0	17.4	0.8	41.8	23.1	31.6
2034	213.7	14.2	10.6	22.0	11.2	29.0	5.0	17.5	0.8	42.1	23.1	31.7
2035	214.1	14.2	10.6	21.9	11.3	28.9	5.0	17.5	0.8	42.3	23.1	31.8
2036	214.7	14.2	10.6	21.9	11.3	28.9	5.0	17.6	0.8	42.6	23.2	31.9
2037	215.2	14.2	10.5	21.9	11.4	28.9	5.0	17.6	0.8	42.9	23.4	32.0
2038	215.6	14.2	10.4	21.9	11.4	28.8	5.0	17.6	0.8	43.2	23.5	32.1
2039	216.1	14.2	10.4	21.8	11.4	28.8	5.0	17.7	0.8	43.5	23.6	32.2
2040	216.5	14.2	10.2	21.8	11.4	28.8	5.0	17.7	0.8	43.8	23.8	32.2
2041	216.9	14.2	10.2	21.8	11.5	28.8	5.0	17.8	0.8	44.1	23.9	32.3
2042	217.4	14.2	10.1	21.7	11.5	28.7	5.0	17.8	0.8	44.4	24.0	32.4
2043	217.9	14.2	10.1	21.7	11.5	28.7	5.0	17.8	0.8	44.7	24.2	32.5
2044	218.4	14.2	10.1	21.7	11.5	28.7	5.0	17.9	0.8	44.9	24.3	32.6
2045	218.8	14.2	10.0	21.7	11.5	28.7	5.0	17.9	0.8	45.1	24.4	32.7
2046	219.3	14.1	10.0	21.7	11.5	28.7	5.0	18.0	0.8	45.4	24.6	32.8
2047	219.7	14.1	10.0	21.7	11.6	28.7	5.0	18.0	0.8	45.6	24.7	32.9
2048	220.1	14.1	9.9	21.7	11.6	28.7	5.0	18.0	0.8	45.8	24.8	32.9
2049	220.5	14.1	9.9	21.7	11.6	28.7	5.0	18.1	0.8	46.0	25.0	33.0
2050	221.0	14.1	9.8	21.7	11.6	28.7	5.0	18.1	0.8	46.3	25.1	33.1

# Stanislaus County Economic Forecast

## Socioeconomic Indicators

